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THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009:

JOBS, JOBS, JOBS

Everyone agrees we are experiencing the greatest economic crisis since the Great Depression. The challenges we all face are magnified by the simultaneous occurrence of three extraordinary events: the collapse of financial markets worldwide, a severe credit crunch, and a dramatic loss of consumer confidence associated with the collapse of our housing and automobile markets.

How bad is it? During the past several years, 3.6 million Americans lost their jobs, millions of working families are losing their homes through bankruptcy and subsequent foreclosures, and the value of everything we own - our retirement accounts, our homes and our currency - have been devalued by as much as 40%-50%. And forecasts predict another 2-3 million jobs will be lost this year - no matter what actions we undertake. This is the economic emergency of our generation, and we must take bold actions to save our way of life.

No one has all the answers, but one fact is clear: we must act now to begin to reverse our economy's downward spiral by putting people back to work. What we need now is jobs, jobs and more jobs. After all, if you are working, you will have income to pay your monthly bills and live in your house, not the poor house.

With the passage of the American Recovery and Reinvestment Act of 2009, I am more confident than ever that we will succeed in building a better future for all of us. The Recovery Act is not a bailout; it is an economic investment, a jumpstart of our economy that will generate millions of jobs in the private sector. These will not be government jobs; they will be real jobs created by the economic engines of our economy - privately owned small businesses that produce 50% of our GDP and nearly 80% of new jobs. These jobs in transportation and infrastructure, renewable energy, education, health care, science and technology will help grow our economy and expand the middle class.

In the weeks and months ahead, I will continue to work hard with all our community leaders to bring about all the changes we need. Our work together will not be easy and our success will not be quick. It took us over eight years to slide into this mess, and that's about how long it will take us to work our way out.

The Recovery Act I helped to create will succeed by doing three things:

- (1) **Delivers one of the largest tax cuts in American history** to 95% of working families – putting money back into our pockets to immediately sustain our families and stimulate local economies;
- (2) **Creates and maintains millions of jobs** - rebuilding our infrastructure, investing in our schools, highways, bridges, renewable energy, a smart electrical grid and clean water – transforming our economy in the process; and
- (3) **Stabilizes state governments** – providing billions of dollars in necessary grants to sustain those in need, and modernizing our economy by investing in renewable energy and the education of our children, on whose future we all depend, and most importantly, educating and training Wisconsin workers who through no fault of their own have been displaced.

The Recovery Act will soon become known as ***America's Blueprint***, for it lays out for all to see exactly how we will build a sustainable and independent economy. It is an aggressive and bold initiative that will guarantee the success of capitalism and our standard of living. Nothing in my lifetime has been so challenging and so critically important.

I am working hard to bring about all the changes we need, and to bring several billion federal tax dollars back to Wisconsin to help grow our way out of today's terrible recession. These essential funds will soon become available through Governor Doyle's Economic Recovery Office in Madison, and I look forward to working closely with our talented and hard working Wisconsin state legislators to put our tax dollars to work right here in Northeast Wisconsin.

We all have a lot of work to do. Let's get started.

Steve Kagen, M.D.
Member of Congress



THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 **HOW THE RECOVERY ACT HELPS YOU**

UNEMPLOYED WORKER

- Additional \$25 / week; benefits extended to 33 weeks
- COBRA – 65% coverage of health insurance for nine months
- No taxes due on first \$2,400 of unemployment benefits
- State fiscal aid will generate millions of higher-wage jobs
- Education and retraining funds available at Job Centers.

STUDENTS

- Education tax credit of UP TO \$2,500 for 25,600 students in 8th District
- Pell Grant amounts increased to \$5,350
- Stafford Loans increased by \$2,000
- Work-Study Program to add 200,000 students.

HOMEOWNERS

- \$1,500 tax credit for expenses on energy efficiency / weatherization
- Those who buy a new home will receive a tax credit of up to \$8,000.

TAXPAYERS (8th DISTRICT)

- Making Work Pay tax credit \$400 single/\$800 married (181,000 households)
- Earned Income Tax Credit – a 45% tax credit on first \$12,570 of income (61,500)
- Alternative Minimum Tax Relief – 26,000 households avoid AMT tax
- New car purchasers receive tax deduction for sales and excise taxes.

SENIOR CITIZENS

- One time \$250 payment for Social Security
- Nutrition programs extended
- Community Services programs funded.

SMALL BUSINESS OWNERS

- Small Business Administration section 7(a) and 504 guaranteed loans
- 3-Year extension of Production Tax Credit (PTC) for wind energy
- 30% Investment Tax Credit (ITC) for renewable energy
- Renewable energy bonds to become available
- Extension of depreciation allowance (50% of purchase price)
- Enhanced small business expensing of up to \$250,000 on capital investment
- 5-Year Carry Back of net operating losses allowed – immediate tax refunds
- Tax Credit: 40% first \$6,000 wages; hiring unemployed Vets or 16-25 year-olds.

CEOs of Companies Receiving Taxpayer Bailout Money (TARP) – New Limitation on Bonuses.